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UNCLAS ABUJA 000307

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E.O. 12958: N/A

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SUBJECT: NIGERIA: ECONOMIC AND FINANCIAL CRIMES ACT PASSED  
BY NATIONAL ASSEMBLY, SIGNED BY PRESIDENT OBASANJO

11. (U) Summary: Nigeria took another step forward on the anti-corruption front, and hoped to gain its removal from the FATF list of Noncooperating Countries and Territories (NCCT), when President Obasanjo signed into law the Economic and Financial Crimes Act and a Money Laundering Act on February 23. President Obasanjo's team overcame last minute internal procedural questions to gain passage in the House of Representatives on February 19, and forwarded the signed legislation's texts to FATF February 23 for its February 24 meeting. End Summary.

12. (U) Nigeria's House of Representatives on February 19 passed the Economic and Financial Crimes Act (EFCA) and a Money Laundering Act that aim to meet FATF standards to remove Nigeria from the NCCT list. The Senate had passed a similar bill the week before. The National Assembly sent the finished bill to President Obasanjo February 23, who signed and forwarded it electronically to FATF, according to Economic and Financial Crimes Commission (EFCC) Director General Emmanuel Akomaye. FATF is due to begin meeting on February 24 and the GON hopes that session will remove Nigerian from the NCCT.

13. (U) Since Akomaye met January 13 in Rome with FATF officials, he has been consistently confident that FATF would approve of the two laws. At the Rome meeting, FATF officials reviewed an initial draft of the laws sent to Obasanjo for signature on January 5. Akomaye said he received assurances from FATF officials at that time that the laws fit their expectations. He said FATF would have been "more comfortable" with lower transaction thresholds and lower penalties but they still fit within acceptable parameters. The EFCA, as sent to Obasanjo, sets a 1 million naira threshold for reporting individuals' transactions and a 3 million naira limit for corporations. It also stipulates a 100,000 naira penalty for false statements during an investigation.

14. (U) Based on these FATF comments, Obasanjo earlier this month sent the laws back to the National Assembly for changes. The House of Representatives denied his request to lower the thresholds and penalties, but did meet his request to remove a clause that limited appeals, a section Nigeria's Attorney General had found unconstitutional. The clause was meant to have sped up cases by reducing the time-consuming immediate appeal of all technical and procedural issues. The National Assembly also removed the Attorney General's authority to direct the operations of the EFCC, arguing that the EFCC would lose accountability to the National Assembly and some of its anti-corruption punch if it was micromanaged by the Executive.

15. (U) Comment: The Embassy has long advocated, publicly and privately, for a strong Economic and Financial Crimes Act. The money laundering-related reporting levels and penalties are not optimum for FATF approval, but they may be good enough and the legislation undoubtedly gives the EFCC tools to attack corruption overall. Akomaye was particularly pleased with the law's legislative mandate for an EFCC Financial Investigation Unit (FIU). Senator Farouk Bello, chair of the Senate Committee on Banking and former executive director of Guaranty Trust Bank, said the law would be good on corruption, but added that the National Assembly would be looking at further tightening of the country's financial laws and regulations governing checks and other financial instruments.

ROBERTS